



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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February 21, 2012

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF RESOLUTION GRANTING ADMINISTRATIVE AUTHORITY FOR THE COUNTY REDEVELOPMENT SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION (CDC) (ALL DISTRICTS AFFECTED) (3 VOTES)

SUBJECT

Recommendation to approve a resolution granting administrative authority to the Community Development Commission to perform the duties of the successor agency for the County of Los Angeles' former Redevelopment Agency (RDA).

IT IS RECOMMENDED THAT YOUR BOARD:

Approve a resolution which grants the Community Development Commission the authority to carry out the tasks of the successor agency for the County's former Redevelopment Agency, which was dissolved under the provisions of ABx1 26.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 17, 2012, among other actions regarding implementation of ABx1 26 ("Dissolution Bill"), your Board directed the Chief Executive Officer (CEO), in conjunction with the Executive Director of the Community Development Commission (CDC) and the Housing Authority of the County of Los Angeles (HACoLA), Auditor-Controller (A-C) and County Counsel (CoCo), to report back within the next 30 days with:

- a) a recommendation as to whether the CDC should be made the agent responsible for day-to-day implementation of the County's statutory role as successor agency of the County's redevelopment agency; and,
- b) any required resolutions or other technical documents necessary to implement this recommendation.

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According to ABx1 26, the originating governmental entity will assume the role of successor agency to the former RDA, unless that entity chooses to opt out of that role. The County did not opt out. Therefore, the County assumed that role for the RDA activities formerly performed by CDC. The attached resolution grants the CDC administrative authority to perform the successor agency functions on behalf of the County.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the Fiscal Management Initiative under Goal 1 of the Strategic Plan: Operational Effectiveness.

FISCAL IMPACT/FINANCING

Dissolution of the redevelopment agencies and reallocation of revenue beyond the agencies' enforceable obligations may result in underdetermined additional revenue to the County as these excess revenues, if any, are distributed back to taxing entities.

According to the Dissolution Bill, successor agencies will be allowed up to 5 percent of the property tax allocated to the successor agency in the 2011-12 fiscal year, and up to 3 percent in subsequent years (or a minimum of \$250,000) for administrative costs. All successor agency funds will be transferred to CDC in order to perform the successor agency functions on behalf of the County. CDC will address the issues of the administration of the successor agency upon approval of this action. Future years planning will be included in the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Duties of the CDC, as successor agency, pursuant to the Dissolution Bill will include:

- Prepare and submit to its oversight board a Recognized Obligation Payment Schedule (ROPS) for each six-month period of each fiscal year;
- Make payments on bonds and other enforceable obligations according to the ROPS;
- Maintain reserves in the amount required by indentures and perform obligations required pursuant to any enforceable obligation;
- Remit unencumbered balances of the former RDA funds to the A-C for distribution to the taxing entities;
- Dispose of the former RDA's assets and properties expeditiously and in a manner that will maximize value, as the proceeds will be distributed to the taxing entities;
- Enforce all former RDA rights for the benefit of the taxing entities, including the collection of loans, rents, and other revenues that are due to the former RDA;

- Effectuate the transfer of housing functions and assets to HACoLA;
- Expeditiously wind down the affairs of the former RDA;
- Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former RDA can be transferred to other parties;
- Prepare a proposed administrative budget and submit it to the oversight board for its approval;
- Perform obligations required pursuant to any enforceable obligation; and
- Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each six-month fiscal period.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these recommendations will allow the County to proceed with its role in implementing the dissolution of its former RDA as provided by the Dissolution Bill, and help ensure the agency is dissolved consistent with the law and that any resulting revenues due the County are protected.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:EFS:MKZ
CA:RTM:ib

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Community Development Commission/Housing Authority

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ASSIGNING SUCCESSOR AGENCY ADMINISTRATIVE FUNCTIONS TO THE LOS ANGELES COUNTY COMMUNITY DEVELOPMENT COMMISSION

WHEREAS, on June 29, 2011, Assembly Bill x1 26 (hereinafter "Redevelopment Agency Dissolution Law") was enacted into law dissolving redevelopment agencies (hereinafter "RDAs") throughout the state of California effective October 1, 2011;

WHEREAS, the constitutionality of the Redevelopment Agency Dissolution Law was upheld by the state supreme court in *California Redevelopment Association v. Matosantos*, but the dissolution of RDAs was postponed by the court's decision to February 1, 2012;

WHEREAS, the Redevelopment Agency Dissolution Law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies;

WHEREAS, the Redevelopment Agency Dissolution Law establishes that the city, county, or city and county that created an RDA becomes the successor agency unless it takes certain actions to opt out by January 13, 2012;

WHEREAS, the County of Los Angeles did not opt out of serving as successor agency to the redevelopment agency functions of the Community Development Commission (hereinafter "CDC") and, effective February 1, 2012, assumed responsibility as successor agency of those CDC functions;

WHEREAS, the responsibilities of the successor agency include the following:

- Prepare and submit to its oversight board a Recognized Obligation Payment Schedule (ROPS) for each six month period of each fiscal year;
- Make payments on enforceable obligations according to the ROPS;
- Maintain reserves in the amount required by indentures and perform obligations

required pursuant to any enforceable obligation;

- Remit unencumbered balances of the former RDA funds to the County Auditor-Controller for distribution to the taxing entities;
- Dispose of the former RDA's assets and properties expeditiously and in a manner that will maximize value, as the proceeds will be distributed to the taxing entities;
- Enforce all former RDA rights for the benefit of the taxing entities, including the collection of loans, rents, and other revenues that are due to the former RDA;
- Effectuate the transfer of housing functions and assets to the Housing Authority of Los Angeles County;
- Expeditiously wind down the affairs of the former RDA;
- Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former RDA can be transferred to other parties;
- Prepare a proposed administrative budget and submit it to the oversight board for its approval;
- Perform obligations required pursuant to any enforceable obligation; and
- Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County auditor-controller for each six-month fiscal period.

WHEREAS, the CDC continues to function for purposes of community development delegated to it by the Board of Supervisors or administration of the Housing Authority for the County of Los Angeles for the unincorporated territory within the County of Los Angeles;

WHEREAS, CDC employees possess certain expertise necessary to carrying out the successor agency responsibilities listed above; and

WHEREAS, the County and CDC entered into a Master Agreement on June 23, 1983, whereupon the County may delegate the administration of various programs to the CDC.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that:

(1) Administration of the County's responsibilities as successor agency be assigned to the CDC.

The foregoing resolution was on the 21st day of February 2012, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By  _____
DOUG LOVEJOY
Deputy County Counsel
Government Services Division

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